

THIS MONTH IN REVIEW

The slowing of Australia's hottest housing markets has been welcomed by Treasury secretary John Fraser, who said it was a sign the regulator's crackdown on risky lending has been effective.

At the same time, the QBE Australian Housing Outlook 2017-20 report has predicted price falls for apartment prices in all capital cities, except Adelaide, Canberra and Hobart over the next three years.

Over the month, the much-debated first-home buyer superannuation scheme announced in the Federal Budget back in May was passed in parliament's lower house. Now it will make

its way through the senate. Labor and the Greens are opposed to the scheme.

As the government gets more involved in real estate, investors are stepping up their efforts to be heard with the creation of the Property Investors Council of Australia to lobby politicians on behalf of landlords.

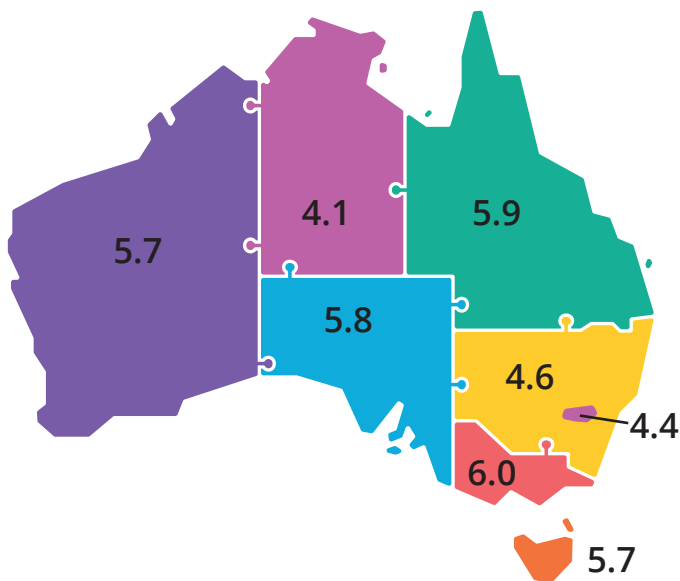
And more Australians are heading overseas for their property fix. The HSBC Expat Explorer Global Report found of a survey of 1034 Australians living overseas, 60% owned property elsewhere – while 34% owned property back home.

AUCTION CLEARANCE RATE Source: APM PriceFinder

	OCT 4		NOV 8
SYDNEY	65%	▲	66%
MELBOURNE	79%	▼	77%
BRISBANE	47%	▼	43%
ADELAIDE	61%	▲	63%

MONTHLY UNEMPLOYMENT - SEPT %

Source: ABS (most recent figure at time of publication)



POPULATION GROWTH % (Yr ended MAR 2017) Source: ABS

VIC	—	2.4	
ACT	▲	1.8	
QLD	▲	1.6	
NSW	▲	1.6	
WA	—	0.7	
SA	—	0.6	
TAS	▲	0.6	
NT	▼	0.1	

VACANCY RATE % (8 NOV 2017) Source: SQM Research

PERTH	▼	4.5	
BRISBANE	▲	3.2	
DARWIN	▲	2.7	
SYDNEY	▲	2.1	
MELBOURNE	▲	1.9	
ADELAIDE	—	1.6	
CANBERRA	—	1.0	
HOBART	—	0.4	



HOUSES

	YRLY GRWTH	YIELD	MEDIAN
HOBART	13.4	5.0%	\$380K
MELBOURNE	11.6	3.2%	\$710K
SYDNEY	7.7	2.8%	\$965K
CANBERRA	7.7	4.1%	\$680K
ADELAIDE	5.0	4.2%	\$450K
BRISBANE	3.5	4.1%	\$527K
PERTH	- 2.9	3.8%	\$500K
DARWIN	- 3.4	5.5%	\$492K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report



UNITS

	YRLY GRWTH	YIELD	MEDIAN
HOBART	9.1	5.5%	\$285K
MELBOURNE	9.1	4.1%	\$520K
SYDNEY	7.8	3.8%	\$730K
CANBERRA	2.7	4.9%	\$431K
ADELAIDE	1.6	4.3%	\$384K
PERTH	- 1.2	4.3%	\$395K
BRISBANE	- 1.4	4.9%	\$408K
DARWIN	- 9.7	4.9%	\$440K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- The harbour city's auction clearance rate continued its slide over October, finishing the month below 65% with prices starting to pull back, Domain Group data shows.
- Sydney's status as an attractive global city has come under attack, with Director of Policy of the Committee for Sydney Eamon Waterford saying it was lagging behind competition due to affordability, transport options and internet speed.
- The controversial WestConnex project has been linked to a fall in house prices in the inner western suburbs around the affected area – with Haberfield and St Peters down 17.2% and 9.2% respectively on APM data.
- A line has been drawn in the sand – there are no suburbs left in Sydney with a median house price under \$600,000 recorded in Domain Group's September House Price Report.

MELBOURNE VIC

- Melbourne's housing market was up 0.5% over October, slower but sustained price growth due to a record-breaking migration rate causing "unprecedented" levels of housing demand.
- Melbourne's median price is now at a record \$880,902, with the Domain Group State of the Market report showing this is up \$100,000 in a year.
- The McGrath 2018 report has tipped price falls of "2 or 3%" for the city next year as sellers rush in to make the most of the end of the boom.
- Geelong was the only Victorian regional city to record double-digit price growth in the 12 months to September – despite being \$400,000 cheaper than Melbourne, Domain Group data shows.

BRISBANE QLD

- Auctions and listings are on the up in Queensland – LJ Hooker's chief auctioneer Paul Moore has seen a notable jump in the lead-up to Christmas and expects there's more to come.
- Goldman Sachs has made a \$120 million bet of confidence in the Brisbane market, with a loan to Kokoda Property to allow Newstead Chester & Ella to be developed in what has been described as a "landmark" deal.
- Built-to-rent is fast becoming an industry-led solution for young tenants, with companies such as Red & Co building and renting out their own townhouses and apartments with five-plus year leases.
- Investment bank UBS has warned one-in-five foreign property buyers is failing to settle on their new Brisbane apartments due to tighter regulations.

PERTH WA

- SQM Research's Louis Christopher has predicted Perth has entered its "first-year" recovery, with up to 4% growth anticipated next year.
- Perth land is still comparatively expensive to other cities, commanding \$730 a square metre and among the priciest cities on this measure, according to the HIA-CoreLogic Residential Land Report.
- Developers are offering more incentives to sweeten up buyers, with discounts of up to \$50,000, complementary solar panels, appliances and air-conditioning, which Curtin Business School Professor Steven Rowley said was indicative of a buyer's market.
- The WA Labour Government's first budget had relatively little directly affecting the property market – a fact widely welcomed by the real estate industry – but there was a 4% foreign buyer duty announced.

CANBERRA ACT

- Canberra bucked the national trend for steady rents over September, instead seeing rent costs up 4.2% in three months making it the strongest landlord market in the country on AllHomes data.
- Property prices are anticipated to climb by 5 to 9% in the next 12 months, provided rates don't change and there isn't any further action from APRA, SQM Research's Report 2018 forecasts.
- Canberra was the top Australian city named on Lonely Planet's top cities list for 2018, ranking third in the world and beating competitors Sydney and Melbourne.

ADELAIDE SA

- Property prices were flat in Adelaide over October, and CoreLogic found they only increased 0.1% over the quarter and 4.6% over the year.
- Hotspotting's Terry Ryder has predicted up to 9% growth for Adelaide in 2018, with more growth suburbs than Sydney or Melbourne.
- The State Government is also being lobbied by Property Council SA executive director Daniel Gannon, who is pushing for an advertising campaign to target "hipsters, families and downsizers" who can't afford to buy in other cities.

DARWIN NT

- Darwin's property values fell 4.4% in the three months to October, down 5.3% in the last 12 months, CoreLogic data shows.
- It's clearly a buyer's market said Real Estate Institute of NT chief executive Quentin Killian, who said there were more people at open homes and auctions making offers but that is "where most of the good news stops".



AUD
76.8c
US

down from 78.6c in Oct
Source: RBA



RBA Cash Rate

1.5%

steady for November
Source: RBA



**Cash Rate
Forecast**

1.5%

12 mths to Nov '18
Source: Westpac



Inflation

1.8%

down for November
Source: RBA



GDP

1.8%

year to June qtr
Source: ABS



Wage Growth

1.9%

year to Jun qtr
Source: ABS



**Consumer
Confidence**

3.6%

positive for Oct.
Source: Westpac-Melbourne Institute



**Disposable
Income**

4.0%

year to June qtr
Source: ABS

All data shown is the latest available for the issued month. Any information contained within this document should not be considered investment or financial advice. Before acting on any information please speak with a qualified investment adviser, accountant and solicitor. The information contained in this document has been obtained from various sources and other third parties and is indicative and to be used as a guide only. To the extent permitted by law, BuySide Pty Ltd and its associates will not be liable for any costs, loss or damage arising in any way from the information contained within this document, including file attachments.

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